Interagency LNG Workgroup Meeting October 5, 2006 Seawater Cooling Elimination



Cabrillo Port BHP Billiton - World's Largest Diversified resource Co.

Petroleum 19% **Aluminium Base Metals** 23%

Carbon Steel Materials

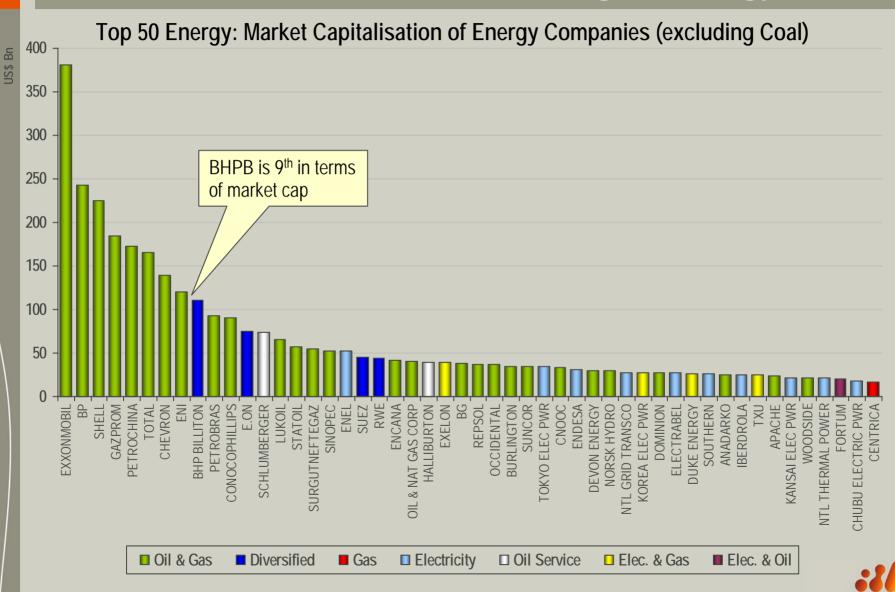
30%







Cabrillo Port BHP Billiton Petroleum is the 9th Largest Energy Co.



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Source: Bloomberg Data - 24 January 2006

Cabrillo Port BHP Billiton – California Connection

- BHP Billiton has a long presence in CA
- One of the State's most recognized landmarks has a BHPB pedigree.
- In 1980's the original wood panels of the Hollywood sign needed replacing
- BHPB furnished the new aluminum-zinc coated steel panels





Cabrillo Port BHPB FPSO Experience





Cabrillo Port Floating Storage & Re-gasification Unit (FSRU)

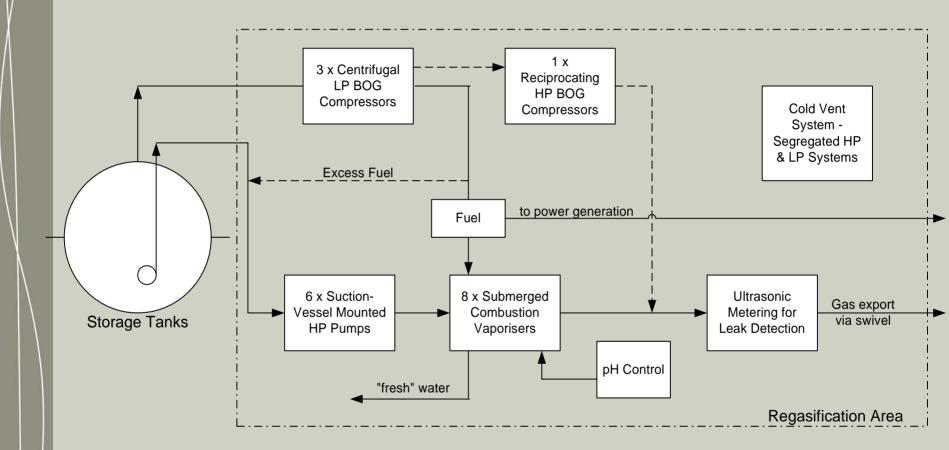
- L~290m B=65m D=31m Draft=13.2m
- Displacement ~ 210,000 DWT
- 3 x 56m Diameter Spherical LNG Tanks
- LNG Storage = 275,700m3
- POB = 50 men

- Installed Generation ~ 30MW in 4 units.
- Normal Throughput = 650 900 MMSCFD
- Re-gas submerged combustion vaporizers
- Permanent Bow Turret Mooring in 870m wd.
- Two 3MW Thrusters for heading control





Regasification Process Block Diagram



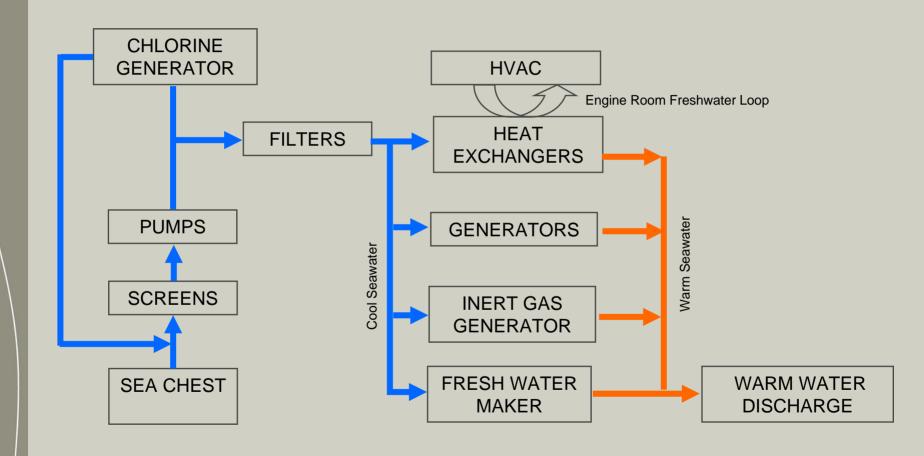


Previous Design Basis - Standard Marine Cooling System

- Standard marine technology uses sea water for cooling
 - Tankers, bulk carriers and general shipping
 - LNG carriers
 - FPSO's
- Sea water is used to cool / remove heat from marine equipment such as:
 - Power generators
 - Inert gas generator (intermittent user)
 - Air conditioning in accommodation modules
 - Compressors
 - Fresh water makers
- Sea water is screened/filtered to remove seaweed etc. and treated chemically to prevent marine growth in the equipment

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Sea Water Cooling Schematic (Typical Marine Application)





Redesign of Cabrillo Port FSRU Cooling System

DRIVERS

- CCC concern about seawater discharge in excess of CA thermal plan
 - Initial design exceeded thermal plan by 9 deg F
- Trade off between thermal plan excedence & bio-mass
 - Utilize more cooling water → results in lower seawater discharge temperature but increases bio-mass intake

CHALLENGE:

Find a solution to CA thermal plan without impacting bio-mass under normal operation

SOLUTION:

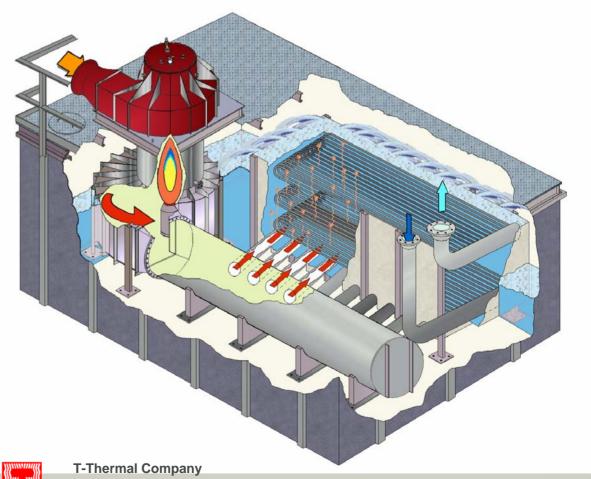
Utilize the available cold LNG to provide cooling for the heat generating sources on the FSRU



SCV Design Selected for the FSRU

Sub-X® "Single Burner" Vaporizer

- Compact, high thermal efficiency (99%),
- Low NOx (20ppmv) emissions,
- 50m3/hr fresh water discharge
- Ample room to accommodate additional heat exchanger coils in outer shell.



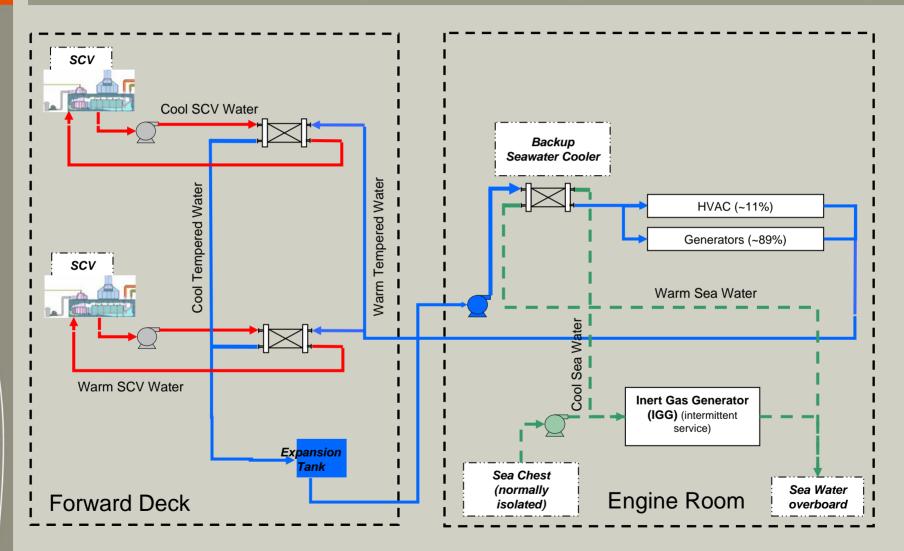




Division of Selas Fluid Processing Corporation



Process Schematic - Tempered Water Loop with Seawater Backup





Design Solution -Tempered Water Loop with Seawater Backup

Advantages:

- Tempered water loop maintains segregation between Engine Room and Process Area (barrier fluid)
- Tempered water is a non-corrosive fluid
- Utilize sea water pumps required for IGG as back-up
- Low additional deck space required (pumps + plate exchangers)
- Utilizes readily available standard components (pumps, exchangers)

Disadvantages:

- Additional tempered water circulation pumps
- Additional expansion tank



Sea Water Usage with Tempered Water Closed Loop System

- Sea water used intermittently SCV's out of service (4 days / yr)
 - Maintenance and scheduled downtime (e.g. tank inspections)
 - Unscheduled downtime:
 - Weather
 - Equipment breakdown
 - No gas export
- Inert Gas Generator
 - Non-seawater options investigated but none have been found to suit the needs for marine operation
 - Require high volumes and high flow rates
 - Annual usage is 4 days per year for entry and inspection of LNG tanks

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Closed Loop Cooling System - Technical Viability

- Additional Equipment
 - Tempered water and SCV water circulation pumps (4 total)
 - Seawater backup heat exchanger (1 only)
 - Tempered water / SCV water heat exchangers (2 total)
 - Tempered water expansion vessel (1 only)

(Note – all of the above are readily available off the shelf components, and require no technology advancement)

- Design has been reviewed and verified as operable by marine operations personnel
- Bottom line Design is well advanced and far beyond the "smoke and mirrors" stage as recently referenced in the press



Seawater Cooling Elimination - Summary

Seawater cooling eliminated during <u>normal</u> operation (all but 4-8 days/yr)

- Environmental Benefits
 - No seawater discharged → conforms with CA Thermal Plan
 - No marine growth inhibition required
 - No intake of sea water → no biomass removed from environment
- Additional Benefits
 - Reduced fuel gas consumption through heat integration
 - Reduction in air emissions
- Disadvantages
 - Increased CAPEX approximately \$3 MM, + / 25%
 - Some additional complexity for operations

